

ADOPTION OF INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS IN 2020

(a) Overview

From 1 January 2020, the entity will be applying IPSAs in preparation of its financial statements. IPSAS are a set of accounting standards issued by the International Public Sector Accounting Standards Board (IPSASB) with specific focus on the accounting and financial reporting requirements of governments, other public sector entities and Not-For-Profit Organisations. The development of the IPSAS has its origins in the accounting profession as a way to enhance the accountability and transparency of public sector financial reporting and strengthen Public confidence in public sector financial management. The IPSASB is an independent standard setting Board supported by the International Federation of Accountants (IFAC). The IPSASB issues IPSAS, guidance and other resources for use by the public sector around the world.

(b) Objective

IPSAS aims to improve the quality of general purpose financial reporting by public sector entities, leading to better informed assessments of the resource allocation decisions made by governments, thereby increasing transparency and accountability.

(c) Scope

- (i) Government Ministries, Provinces and Spending Agencies will be required to prepare financial statements under the accruals IPSAS framework. The coverage includes Central Government, Local authorities and related government entities such as Agencies, Boards, Commissions and other related bodies;
- (ii) All non-governmental public sector entities and not-for-profit organizations whose line of business is non-commercial in nature are required to use IPSAS for their general purpose financial reporting,

(d) Effective Date

- (i) Government Ministries, Provinces and Spending Agencies for financial statements for periods ending on or after 31st December, 2022;
- (ii) Non-governmental public sector entities and not-for-profit organizations for financial statements for periods ending on or after 31st December, 2020.
- (iii) Earlier application is encouraged.

(e) Convergence with IFRS

IPSAS are based on the International Financial Reporting Standards (IFRS), formerly known as IAS. IFRS are issued by the International Accounting Standards Board (IASB). IPSASB adapts IFRS to a public sector context when appropriate. In undertaking that process, the IPSASB attempts, wherever possible, to maintain the accounting treatment and original text of the IFRS unless there is a significant public sector issue which warrants a departure.

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No.	Title	Based on
IPSAS 1	Presentation of Financial Statements	IAS 1
IPSAS 2	Cash Flow Statements	IAS 7
IPSAS 3	Accounting Policies, Changes in Accounting Estimates and Errors	IAS 8
IPSAS 4	The Effects of Changes in Foreign Exchange Rates	IAS 21
IPSAS 5	Borrowing Costs	IAS 23
IPSAS 6	Consolidated and Separate Financial Statements	IAS 27
IPSAS 7	Investments in Associates	IAS 28
IPSAS 8	Interests in Joint Ventures	IAS 31
IPSAS 9	Revenue from Exchange Transactions	IFRS 15
IPSAS 10	Financial Reporting in Hyperinflationary Economies	IAS 29
IPSAS 11	Construction Contracts	IFRS 15
IPSAS 12	Inventories	IAS 2
IPSAS 13	Leases	IAS 17
IPSAS 14	Events After the Reporting Date	IAS 10
IPSAS 15	Financial Instruments: (superseded by IPSAS 28 and IPSAS 30)	
IPSAS 16	Investment Property	IAS 40
IPSAS 17	Property, Plant and Equipment	IAS 16
IPSAS 18	Segment Reporting	IAS 14
IPSAS 19	Provisions, Contingent Liabilities and Contingent Assets	IAS 37
IPSAS 20	Related Party Disclosures	IAS 24
IPSAS 21	Impairment of Non-Cash-Generating Assets	IAS 36
IPSAS 22	Disclosure of Financial Information About the General Government Sector	n/a
IPSAS 23	Revenue from Non-Exchange Transactions (Taxes and Transfers)	n/a
IPSAS 24	Presentation of Budget Information in Financial Statements	n/a
IPSAS 25	Employee Benefits	IAS 19
IPSAS 26	Impairment of Cash-Generating Assets	IAS 36
IPSAS 27	Agriculture	IAS 41
IPSAS 28	Financial Instruments: Presentation	IAS 32
IPSAS 29	Financial Instruments: Recognition and Measurement	IAS 39
IPSAS 30	Financial Instruments: Disclosures	IFRS 7
IPSAS 31	Intangible Assets	IAS 38
IPSAS 32	Service Concession Arrangements: Grantor	IFRIC 12
IPSAS 33	First-time Adoption of Accrual Basis IPSASs	(IFRS 1)
IPSAS 34	Separate Financial Statements	IAS 27
IPSAS 35	Consolidated Financial Statements	IFRS 10
IPSAS 36	Investments in Associates and Joint Ventures	IAS 28
IPSAS 37	Joint Arrangements	IFRS 11
IPSAS 38	Disclosure of Interests in Other Entities	IFRS 12
IPSAS 39	Employee Benefits	IAS 19
IPSAS 40	Public Sector Combinations	IFRS 3
IPSAS 41	Financial Instruments	IFRS 9
IPSAS 42	Social Benefits	N/A